Office-Supreme Court, U.
FILED
OCT 5 1951
CHARLES ELMORE CROPLEY

In the Supreme Court of the United States

OCTOBER TERM, 1951.

No. 257.

YOUNGS RUBBER CORPORATION,
Petitioner,

vs.

ALLIED LATEX CORPORATION,
Respondent.

PETITIONER'S REPLY BRIEF.

BLYTHE D. WATTS,
MORRIS HIRSCH,
Counsel for Petitioner.

GEORGE H. DESSION,
Of Counsel.

October 4, 1951.

THE GATES LEGAL PUBLISHING CO., CLEVELAND, OHIO—MAIN 1-5647

INDEX.

The Visual Test Patent No. 2,213,113 3

The Electrical Test Patent No. 2,244,091 8

Conclusion 13

TABLE OF AUTHORITIES.

Cases.

Brown & Sharpe Mfg. Co. et al. v. Kar Engineering Co., Inc., 154 F. (2d) 48 (C. A. 1) (certiorari denied, 328 U. S. 869, Petition for Rehearing denied, 329 U. S. 822) 13

Cuno Engineering Corp. v. Automatic Devices Corp., 314 U. S. 84 13

Falkenberg v. Bernard Edward Co., 175 F. (2d) 427 (C. A. 7) (certiorari denied, 338 U. S. 870) 13

Minerals Separation, et al., v. James Hyde, 242 U. S. 261 4

Universal Oil Products Co. v. Globe Oil & Refining Co., 322 U. S. 471 4

Rule.

F. R. C. P., Rule 52(a) 2, 12

Statute.

35 U. S. C. 31; R. S. 4886 9

In the Supreme Court of the United States

OCTOBER TERM, 1951.

No. 257.

YOUNGS RUBBER CORPORATION,

Petitioner,

vs.

ALLIED LATEX CORPORATION,

Respondent.

PETITIONER'S REPLY BRIEF.

Respondent's brief does not meet any of the three Grounds relied on for allowance of the Writ.

Respondent does not allege any disagreement with Ground I which reads as follows:

> "The Court Below has Magnified and Distorted This Court's More Recent Decisions in Patent Cases Into a Mandate to Invalidate Every Patent that Comes Before It, Even Such Patents as the One Recently Held Valid by *Unanimous Decision* of This Court."

Respondent offers as its excuse for evading this issue, that the Court below had found the patents invalid for "lack of novelty" and for "anticipation," respectively (pp. 1, 9), and therefore "had no need to apply the exacting standard of invention, the importance of which this Court has latterly reiterated." (p. 2.) We shall show hereinafter that respondent has misinterpreted the clear language of the decision below which has *not* held the patents invalid on any such grounds, but to the contrary has misapplied the standards of invention as set forth in Ground I.

Respondent's brief does not even pretend to meet, and for that matter does not even comment on, Ground II which reads as follows:

> "There is Direct Conflict Between the Decision of the Court Below and Decisions of This Court and of the United States Courts of Appeals for the First, Sixth and Seventh Circuits as to Interpretation of This Court's Decision in the Case of Cuno Engineering Corp. v. Automatic Devices Corp., 314 U. S. 84."

The inference is inescapable that respondent agrees the Petition should be granted as to Ground II.

As to Ground III the Petition quotes in detail for ready comparison no less than *five* material and controlling Findings of Fact of the Trial Court which are paired with the contrary Findings of the Court below (Pet. 11-14). In each of these instances the Court below had thus upset Findings of Fact of the Trial Court without showing that they are clearly erroneous. In fact, the Court below frankly admitted that it had upset the Trial Court's Findings of Fact (Pet. 13). Respondent's brief makes the bald and unsupported assertion that what the Court below decided was "based on undisputed evidence" (p. 10) but does not even attempt to point out error in any of these five instances of violation of Rule 52(a) F. R. C. P.

In its attempt to dissuade this Court from granting the Petition, respondent was constrained to concede that each of the two patents in suit shows both invention and utility (p. 10). The record warrants that concession, for neither invention nor utility could be seriously contested in the face of the uncontroverted history of the inventions set forth in the Petition (p. 10).

"Here we are concerned with lack of novelty" says respondent (p. 10). Respondent further says "The Court

of Appeals for the Second Circuit did *not** hold the patents in suit invalid for lack of invention, but for lack of novelty and for anticipation" (p. 10).

The Court below did not so hold.

It held the Visual Test patent No. 2,213,113 invalid for "overwhelming simplicity." On the record a finding of "lack of novelty" was impossible, for no prior art had been adduced against this patent for any purpose. As to the Electrical Test Patent No. 2,244,591, the Court below far from finding "anticipation," *conceded* that "undoubtedly this would have been held invention in times past."

The Court below justifies its holding under the impression that "now the climate of opinion has changed" (R. 421). Respondent (Br. 2, 10), like petitioner (Pet. 7-11), disagrees with the Court below as to any change in the climate of opinion or standard of invention set by this Court. This Court has merely stressed that the exacting standards of invention which it has always prescribed should not be relaxed.

We shall now more fully reply and shall point out the errors of fact in respondent's brief, first with respect to the Visual Test patent and then with respect to the Electrical Test patent.

The Visual Test Patent No. 2,213,113.

Respondent asserts that:

(a) Youngs did nothing more than simply to observe and understand a natural phenomenon which is readily perceptible to the human eye (pp. 1, 2, 3, 4), and

(b) petitioner's expert conceded that rubber gloves had been tested for at least forty years in

---

* Emphasis is respondent's.

manner in which the appearance of the dark areas was inevitable (pp. 2, 3).

Were these assertions established by the record, the highly experienced Judge William Bondy would not have held the patent valid as he did. Both assertions are utterly erroneous and without basis in the record as will now appear.

(a) As to the Visual Test, the Court below correctly held:—

> "The defendant objects that this is but a patent upon a law of nature or a natural phenomenon. Objection thus expressed is too broad, since a method patent in general must ultimately come back to some law of nature or natural phenomenon; * * *" (R. 418).

Thus the Court below, contrary to respondent (pp. 1 to 4) expressly refused to hold that Youngs had merely observed a law of nature. The Court held the patent invalid solely on the astounding and unprecedented presumption that while "* * * simplicity alone will not negative invention, *Goodyear Tire & Rubber Co. v. Ray-O-Vac,* 321 U. S. 275, 279," "* * * *overwhelming** simplicity must always have its effect in contradicting novelty." (R. 418, 9.) That assertion is contrary to the principle announced by this Court in *Minerals Separation, et al., v. James Hyde,* 242 U. S. 261. That principle was re-stated by this Court as recently as 1944 in the following words:

> "Retrospective simplicity is often a misleading test of invention where it appears that the patentee's conception in fact solved a recognized problem that had baffled the contemporary art * * *" *Universal Oil Products Co. v. Globe Oil & Refining Co.,* 322 U. S. 471, 486.

---

* Emphasis ours unless otherwise noted.

That the contemporary art had been baffled in the instant case, is undenied, for respondent took no issue with the following statement:

> "Prior to the invention of the patents in suit there had been more than a decade of unsuccessful effort in the industry to devise a better test than the expensive and unreliable method in general use" (R. 12, 22, 63 to 67, 253, 254). (Pet. 7.)

Contrary to respondent's assertion, there is not an iota of evidence in the record that anyone prior to Youngs had ever tested *thin rubber articles* in *stretched* condition over a form by dipping. Indeed there is no evidence that thin rubber articles had ever been stretched over a form for test purposes, in any mode of test whether by dipping or otherwise.

The thin rubber article thus stretched is what the Trial Court found to be a new instrumentality (Pet. 3). That *new* instrumentality *alone* evokes the dark area "readily perceptible to the human eye" and this is due to the spread of water under the stretched rubber sheath, since the dark area becomes visible against the background of the supporting form by reason of the *translucency* of the thin rubber sheath thereover when thus stretched.

Even claim 1 of the Visual Test patent, which the Court below quotes (R. 418) and calls "very broad" includes the particular limitation to the *thin* rubber articles mounted upon a body in *a comparatively stretched condition* and moreover recites the precise mode of passage of the liquid through any hole in the article over the underlying supporting surface of the body with the comparatively dark area readily visible through the article.

Regardless whether the Visual Test is used as such or in the environment of the Electrical Test patent, it reliably, indeed inevitably, shows the dark area about a hole in the

thin rubber article under test. Whether the electrical impulse used in the Electrical Test is or is not applied, the Visual Test functions at all times. It does so, because the Electrical Test patent like the Visual Test patent uses the *new instrumentality* of the thin rubber article stretched over a metal form and dipped into a bath.

The Visual Test is thus a standby system, at all times operative, should the fully automatic system of the Electrical Test patent ever fail. By what process of logic respondent spells lack of worth (p. 9) out of this virtue of the Visual Test is indeed baffling.

(b) That petitioner's expert had admitted it was old to test rubber gloves on metal forms dipped in water as alleged (pp. 2, 3) is contrary to the fact. Petitioner's expert testified that he had no recollection of seeing such a reference or system (R. 138). Nor has *respondent's* expert any such recollection (R. 224). And respondent's attorney admits there is no reference to such practice in the literature (R. 137). Nor did respondent ever act on petitioner's invitation to stipulate into evidence the admission of such reference whenever respondent could produce it. (R. 224.)

Since no prior art was adduced by the Patent Office, nor by respondent, nor mentioned by the Court below in support of its holding of invalidity of the Visual Test patent, that holding being based solely on "*overwhelming* simplicity," respondent is indeed hard pressed to find a basis for arguing lack of *novelty*.

And therefore the alleged admission of petitioner's expert is here *for the first time* being urged against the Visual Test patent. It is being so urged not only without basis in the record as we shall show, but without basis in anything said by either of the Courts below and without mention by respondent in any brief or argument below.

But that alleged admission on which respondent leans so heavily, even if taken at its face value does not support respondent's argument. For petitioner's expert referred to the testing of *insulating materials* only (R. 112-3), these being materials used in the electrical arts. Insulating material (vulcanite, bakelite, etc.) is neither thin nor stretched, nor even stretchable, and when such material is interposed between metal and water, no dark area could be visible to the eye, for the simple reason that such material is thick and *not translucent*. Should any water pass through a hole therein, and spread thereunder it would not and could not be visible through the thick, unstretched and unstretchable opaque material. Accordingly, in such test there was no natural phenomenon of the dark area "readily perceptible to the human eye" or perceptible at all.

With the numerous workers in the electrical testing arts, it is incredible that in more than forty years of such test, no one had ever been sufficiently observant to see the dark area, if it be the fact that such test had ever been made with materials and instrumentalities that would give rise to the dark area. The art would not have made shift for fifteen years with the awkward, expensive and unreliable air inflation test were the physical phenomenon on which the patent is based ever possible of observation in the countless tests of insulating material made during the past forty years. The art would not have made its persistent and unsuccessful efforts for more than a decade to improve on the objectionable air inflation test that alone was available prior to Youngs' invention, were the phenomenon cited by respondent "readily perceptible to the human eye." Some passing reference at least would have been found somewhere in the technical, if not in the patent literature, had it ever been possible to observe this phenomenon before Youngs created the new instrumentality

that for the first time furnished the necessary setting to call forth the appearance of the dark area. The Patent Office, or respondent's counsel, would have found such published material to cite against the patent, were the phenomenon in question ever available for observation.

The only citation concerned with testing rubber, in this case heavy electrical linemen's gloves, is the Electrical World article to which respondent refers (p. 6). The rubber here is thick, it is not stretched, it is not mounted on a form, but is filled with and immersed in water. And not even respondent argues that the dark area would appear in use of the teaching of that citation; nor does the Court below so hold.

Respondent significantly admits (p. 2) that the appearance of the dark area at a hole is *inevitable* when the new instrumentality of Youngs is used. Anything so *inevitable* would of necessity have been observed in the myriads of tests of insulating material during the last forty years, were such tests made under conditions in which the dark area could possibly have made its appearance. That which became *inevitable* once Youngs made his invention, did not occur even once in the countless millions of electrical tests made in more than forty years before Youngs' invention.

The Electrical Test Patent No. 2,244,091.

Respondent says (pp. 1, 10) that this patent was held invalid for anticipation.

Quite to the contrary, the Court below held as to the Electrical Test patent:

> "Undoubtedly this would have been held invention in times past, but now the climate of opinion has changed to require definite novelty in idea and not merely new adaptations of an old idea." (R. 428)

The Court further said:

> "It will thus be seen that the patentees took one of the oldest of electrical conceptions and adapted it rather ingeniously to a particular need of this business." (R. 428)

Contrary to respondent's assertion, the Court below had found the patent invalid solely for lack of invention. It did so by applying standards, contrary to the Patent Statute (35 U. S. C. 31; R. S. 4886) which sanction a patent, not merely for a new art, but for "any new and useful *improvements* thereof." Respondent admittedly is side-stepping the basic issue of whether the Court below had correctly applied the standards of invention set by this Court (pp. 9, 10).

Not only as we have seen, does the Electrical Test patent use as an element the same new instrumentality of the Visual Test patent, namely, the thin rubber article stretched over a form, in this case a metal form, but it uses that instrumentality in manner to function as a *temporary condenser* in carrying out the Electrical Test.

In applying the Electrical Test, petitioner electrically charges this temporary electrical condenser. As stated by petitioner's expert without contradiction, "* * * if you do not charge it, it is just static and there is nothing accomplished, and it is not utilized as a condenser" (R. 152). The condenser maintains its charge if the article is good, and loses its charge if the article is bad, which affords the discrimination between a good and a bad article. Respondent is merely indulging in rhetoric in its argument on page 8.

Respondent makes no attempt to explain away the admissions of *respondent's* expert (R. 216, 219, 220, 227) that the temporary condenser is new and is both disclosed in the patent and used by respondent. Furthermore

throughout its brief before the Court below, respondent (consistently with the admissions of respondent's expert), eloquently admits that respondent's system in fact uses the temporary condenser. We will quote a few of these admissions.

> "* * * defendant * * * *does* utilize the capacity of that temporary condenser as the very heart or capital idea of *its* system"! (Brief below, p. 20.)
>
> "In short, defendant's machine positively selects the good article because the temporary condenser of which the good article acts as the dielectric carries a charge which actuates the selecting mechanism." (Brief below, p. 21.)

And, referring to the article being tested

> "* * * in defendant's system it is the dielectric of a temporary condenser." (Brief below, p. 25.)

Respondent did not gratuitously make this thrice repeated admission below, but argued that the temporary condenser though present and admittedly present in respondent's system, is absent from the patent in suit, as is also alleged here (pp. 7, 8). The groundlessness of that contention appears from the face of the specification of the Electrical Test patent:

> "* * * the rubber article which, being a dielectric and disposed between the metal mandrel body 14 and the liquid bath, functions therewith as *a condenser*" (R. 236, col. 2, lines 72 to 75),

and again

> "As previously stated the rubber article in effect constitutes the dielectric of *a condenser* formed thereby in conjunction with the mandrel body 14 and the liquid bath * * *." (R. 238, col. 1, lines 68 to 71.)

In the face of all this undisputed evidence, respondent oversimplifies the issue in its summary description of the

Electrical Test patent in which it makes no reference to the temporary condenser (p. 2).

Respondent does not deny that the essential elements that make up the temporary condenser and its use as such are inherent in the recital in each of the four claims in suit.

The Court below made short shrift of respondent's attempt to show that its admitted use of the temporary condenser can escape infringement of the patent. It said:

> "* * * we should have no difficulty in finding infringement. The defendant's device appears to follow so directly the plaintiff's idea, with only the merest reversal of positions—and of circuits—in the form of testing, as if consciously in search of a formal opposite to plaintiff's method. * * * and all of defendant's semantic difficulties with various labels, such as dielectric, condenser, resistor, or the like, do not change this fact. Defendant is here caught with the kind of proposition which in opposite terms it would apply to the plaintiff; * * * Such word chopping cannot conceal the fact that the test demonstrates to the operator the existence or nonexistence of a hole by means of the electrical circuit." (R. 423)

Respondent (p. 12) discusses the Electrical World article of March 12, 1927, but does not comment on the setting aside by the Court below of significant Findings of Fact by the Trial Court (Pet. 14). The systems of the Electrical World article use "a high voltage to puncture the dielectric, if possible, and thereby determine if the article is good or bad. They do not utilize or have not utilized the charge on the condenser for operation of an indicator" (R. 152). Neither the Court below, nor even respondent asserts that the action of the temporary condenser occurs or can occur with the *alternating current high tension* current used in this citation and in the absence of a form. And *respondent's* expert admits that there is no condenser action here (R. 217-8).

The temporary condenser having been admitted by respondent's expert to be fundamentally new in the Electrical Test patent and to be used by respondent and the Court below having found infringement by respondent, the Court below should have affirmed the Trial Court's holding not only as to infringement but as to validity as well.

Indeed, by disregarding the clean-cut admission as to the temporary condenser by respondent's highly qualified expert, and by disregarding the equally clean-cut finding of the Trial Court as to the temporary condenser in the Electrical Test patent (R. 405), the absence of such temporary condenser in any of the prior art (R. 406) and the presence of such temporary condenser in respondent's system (R. 407) the Court below clearly violated Rule 52a F. R. C. P. Respondent baldly asserts (pp. 2, 10) that the Court below had *relied* upon undisputed evidence. To the contrary, the Court below *disregarded* undisputed evidence. In fact as we have shown, the Court below goes so far as to admit that it had upset Findings of Fact of the Trial Court (Pet. 13).

Respondent does not contradict or even comment in its general discussion (p. 10) of said Rule 52(a) on any of the various specific instances quoted in the Petition in which the Court below has set aside Findings of Fact made by the Trial Court after observing demonstrations, viewing motion pictures, listening to conflicting testimony and passing on the credibility of witnesses (Pet. 11 to 15).

Respondent's brief does not discuss or even cite a single authority to support its argument. Nor does it take exception to our discussion of the more recent decisions of this Court (Pet. 7, 8, 9, 10). In sedulously avoiding such discussion, respondent evidently shares the generally prevailing conviction that the Court below is out of line in the standard of invention that it sets.

Two United States Courts of Appeals have by scholarly analysis determined the metes and bounds of the principle in the much cited case of *Cuno Engineering Corp. v. Automatic Devices Corp.*, 314 U. S. 84, and held valid patents far less impressive than those in the instant case. Yet this Court took no exception to such interpretations of the *Cuno Engineering* case; for it denied review of such decisions; *Brown & Sharpe Mfg. Co. et al. v. Kar Engineering Co., Inc.*, 154 F. (2d) 48 (C. A. 1) (certiorari denied, 328 U. S. 869, Petition for Rehearing denied, 329 U. S. 822); *Falkenberg v. Bernard Edward Co.*, 175 F. (2d) 427 (C. A. 7) (certiorari denied, 338 U. S. 870).

CONCLUSION.

We submit that respondent's brief has evaded all of the issues raised and has advanced no reason why this Court should not grant the Petition.

Respectfully submitted,

BLYTHE D. WATTS,
MORRIS HIRSCH,
Counsel for Petitioner.

GEORGE H. DESSION,
Of Counsel.

October 4, 1951.

26

NOV 23

In the Supreme Court of the United States

OCTOBER TERM, 1951.

No. 257.

YOUNGS RUBBER CORPORATION,
Petitioner,

vs.

ALLIED LATEX CORPORATION,
Respondent.

PETITIONER'S REPLY
to
Respondent's Brief Opposing Petition for Rehearing of Order Denying Petition for Writ of Certiorari.

BLYTHE D. WATTS,
MORRIS HIRSCH,
Counsel for Petitioner.

GEORGE H. DESSION,
Of Counsel.

THE GATES LEGAL PUBLISHING CO., CLEVELAND, OHIO—MAIN 1-9847

In the Supreme Court of the United States

OCTOBER TERM, 1951.

No. 257.

YOUNGS RUBBER CORPORATION,

Petitioner,

vs.

ALLIED LATEX CORPORATION,

Respondent.

PETITIONER'S REPLY

to

Respondent's Brief Opposing Petition for Rehearing of Order Denying Petition for Writ of Certiorari.

Respondent's resort to sarcasm is evidently for lack of a better answer to the Petition for Rehearing.

Yes, the silly petitioner had heard of retroactive statutes, but wonders if the all-wise respondent knows that the Constitution forbids retroactive laws which impair the obligation of contract.

Petitioner also knew that this is a civil suit and not a criminal case. The term "ex post facto" was used in the Petition for Writ (p. 13) in its literal sense of "after the act" and was used in the Petition for Rehearing in that sense and also because retroactive and retrospective laws include ex post facto laws. *Calder v. Bell*, 3 Dall. 386, 388, 1 L. Ed. 648, 649.

Petitioner's position which respondent seems not to have understood may be simply restated as follows:

Congress has no power to impair the obligations of contract. *Calder v. Bell, supra; Continental Illinois N. B.*

& T. Co. v. Chicago Rock Island & Pacific Co., 294 U. S. 648, 680, 79 L. Ed. 1110, 1130.

The Courts may not impair contract obligations. *Muhlker v. N. Y. & Harlem R R*, 197 U. S. 544, 49 L. Ed. 872, 25 S. Ct. 522.

The laws in force at the time of execution of a contract are a part thereof. *Home Building & Loan Assn. v. Blaisdell*, 290 U. S. 398, 78 L. Ed. 413, 54 S. Ct. 231.

A patent is a contract. *Seymour v. Osborne*, 11 Wall. 516-533, 20 L. Ed. 33.

Under the foregoing principles of law a patent should be construed under the laws and the decisions of this Court prevailing when the patent issued and not under laws and decisions of a later date which changed the laws or decisions under which the patent issued and impaired the obligations of the patent contract.

No, petitioner had not overlooked either the fact that a patent must issue *before* it can be invalidated by the Courts; or this Court's decision in *Cuno Engineering Corp. v. Automatic Devices Corp.*, 314 U. S. 84. That decision was cited and quoted from on page 4 of the Petition.

Apparently respondent overlooked the showing on pages 3 to 5 of the Petition that this Court has constantly adhered to the "constitutional standard" on the question of invention; and has never invalidated a patent on a law or rule forbidden by the Constitution, whether it be called retroactive, retrospective or ex post facto. None of the patent decisions handed down by this Court in the past ten years changed the previously existing law as to the standard of invention.

The same cannot be said for the Court below. That Court misconstrued this Court's decisions, identified on page 2 of the Petition for Rehearing, and, based on that misconstruction, and long after the fact of issuance of

the patents, evolved an unprecedented basis for invalidating the patents. Since that decision on that "after the act" rule seriously impairs the obligations of the patent contracts here involved, it is not permitted under the foregoing authority and should not be condoned.

The ground stated on page 1 of the Petition for Rehearing is new even though it is supported by facts previously cited in support of other grounds. Respondent evidently has ignored the distinction between grounds and facts since the same facts may support different grounds.

The Petition for Rehearing should be granted.

Respectfully submitted,

BLYTHE D. WATTS,
MORRIS HIRSCH,
Counsel for Petitioner.

GEORGE H. DESSION,
Of Counsel.

Dated: Cleveland, Ohio,
Nov. 21, 1951.